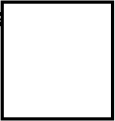



Statement of Policy on the Position of
Contracting Officers in the Central Intelligence Agency

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REFERENCES: (a) Headquarters Regulation 
(b) Headquarters Handbook 
(c) Project Officers Manual

1. The National Security Act of 1947 and the CIA Act of 1949 confer certain very important special authorities on the Director and the Agency. These give the Agency the security and flexibility which are essential to carry out its mission. They imply, however, an equivalent special responsibility that the Agency conduct its affairs in a manner beyond reproach, in the classic phrase "above suspicion," of impropriety or incompetence. This is of particular importance in the management of the contracts the Agency executes to carry out many of its functions. Since the Agency has arranged that the contracting function has been decentralized to operating Directorates, it is important that all concerned be clear as to their specific responsibilities to assist the Director to implement the special responsibility and authority conferred on him.

2. The referent publications are specific in delineating the authority of Agency contracting officers, delegated from either the Director of Central Intelligence or the Director of Logistics. To insure that these contracting officers are fully able to exercise the Agency's responsibility, as well as its authority, I ask that each Deputy Director take the necessary steps to insure that the referent contracting procedures, designed to protect the integrity and business interests of this Agency, are fully enforced. I specifically request that each Deputy Director insure that the internal procedures of his Directorate are structured to bring contracting officers into the pre-procurement planning cycle at the earliest possible point in time and in any event before proposals are solicited or unsolicited proposals are acted upon. Contracting officers must be afforded every opportunity to participate in and review proposed procurement plans and to maintain an intimate knowledge of the procurement until it is completed.

3. While the formal responsibility and authority of contracting officers are clearly stated in referent publications, confusion sometimes exists as to the role of other Agency personnel participating in a project involving contracts. To clarify this

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matter for all personnel, I have outlined below a series of points which I would ask you to bring to the attention of your personnel, particularly your program directors and technical officers who are or may be involved in the procurement of research, development, services and/or production. These will also be included in appropriate training and briefing materials for all concerned personnel:

a. Agency contracting officers have the final responsibility for executing contractual documents. Inherent in this responsibility is the protection of the interests of the Government and the reputation of the Agency for integrity and fair dealings in all contractual and precontractual relations with contractors and their representatives. Additionally, Agency contracting officers are responsible for insuring that all contractual documents are in compliance with applicable laws and regulations, seeking legal advice from the General Counsel as appropriate.

b. All employees of this Agency are agents of the U. S. Government who can only act within the scope of authority conferred on them before the Government can be held contractually liable as a result. The Agency's rules provide that no employee of this Agency may initiate a course of action, including a change to an existing contract, with any individual, company, or institution which commits the Agency to pay for any service, equipment, materiel, study or anything of value without express delegation of such authority. Thus, no employee of this Agency may commit or promise to commit the Agency in any manner or make representations which might be construed as binding upon the Government in a contractual matter without delegated contracting authority.

c. Unauthorized acts of Agency employees with respect to contracts may result in claims from contractors for unplanned expenditures of Government funds, litigation with private concerns, delays in operationally related procurements, and unfavorable exposure to both the general public and the Congress of the United States. Such unauthorized acts of employees cannot be tolerated.

d. All employees participating in any way in contract relationships will insure that all matters affecting the scope, finances, performance, term or any other aspect of the contract are made known to the contracting officer for appropriate action with respect to the contract.

Insure Interface at Appropriate Level Between
Contractor/Agency Technical Management

1. There is a clear need to establish a basis for positive communications between senior Agency technical managers and senior managers of those contractors who are performing work under Agency contracts.
2. To satisfy this need, Agency managers are encouraged to visit and become familiar with the capabilities and goals of contractors who are performing work on contracts under their cognizance. This interface will also permit contractor and Agency management to periodically exchange views on significant problem areas. It is the responsibility of senior Agency technical managers to be aware of problems encountered on contracts which are under their supervision.
3. Upon the award of a contract, contractor management should be provided with a channel to Agency management and encouraged to solicit its views in appropriate cases. This policy should not impair the authority of the contracting officer or the project officer who is charged with the immediate supervision of a contract. Its purpose is to insure that senior Agency and contractor managers have an opportunity to maintain overall management visibility.
4. It is obvious that such interface need only apply to major contracts or to contracts supporting critical requirements of an operational or sensitive nature. Deputy Directors should establish within their Directorates the levels of interface which they consider sufficient to accomplish the purpose, keeping in mind the clear need for responsible channels of communication with senior contractor management.

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Technical Management of Contracts Involving
Two or More Directorates

1. When contractors are faced with situations which require them to take technical direction from several Agency technical monitors, the potential for confusion, for delay, and for unanticipated claims against the Agency is very great. The Agency image also suffers under these circumstances since contractors will certainly sense the absence of firm organizational and management control over Agency personnel.
2. Deputy Directors should issue appropriate instructions within their Directorates requiring the development of an organizational plan with the initiation of each contract involving two or more offices or Directorates. Such plans should define the responsibility of each Agency component with regard to the management of the technical undertaking and should identify that technical officer (or officers) responsible for providing technical direction to the contractor.
3. The Office of Logistics will add new clauses to future Agency contracts cautioning the contractor against accepting technical changes or direction on Agency contracts from persons other than those who have been specifically identified as Agency officers authorized to provide technical direction to the contractor.

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